



Rating
Buy

Asia
China

Consumer
Retail / Wholesale Trade

Company
Yonghui Superstores

Reuters
601933.SS

Bloomberg
601933 CG

Exchange Ticker
SHH 601933

Date
31 July 2015

Forecast Change

Price at 30 Jul 2015 (CNY)	10.15
Price target - 12mth (CNY)	12.90
52-week range (CNY)	16.36 - 7.31
Shanghai Composite	3,706

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Business reorganization for a stronger Yonghui; Buy

Restructuring-led slowdown in 1H15 does not change long-term positives

Yonghui Superstores (YH) started restructuring its fresh food business in Chongqing & Fujian, which impacted its top-line growth as well as operating leverage in 1H15. The reorganization likely aims to change the geographic management scheme to establish a more centralized platform, in order to generate additional synergy. Limited promotion activities and macro slowdown also capped its SSSg. Nevertheless, we see YH on track to accomplish its 3-year target with accelerating store openings, SSSg and profitability momentum in 2H15. We cut 2015 earnings by 4.6% while maintaining target price; Buy.

Business restructuring muted 1H15 top-line momentum

YH reported NP growth of 16% to RMB527m on an 18% rise in sales to RMB20.7bn for 1H15. 2Q15 NP/Sales were up by 11%/15%. Growth in core EBIT (excluding investment gain and revaluation) declined by 14% YoY in 2Q while grew 9% YoY in 1H15. The decline in 2Q was mainly due to a shortfall in sales, pushing the opex ratio higher. The 4-5ppt shortfall in sales growth in 2Q vs. 1Q and full-year target was due to: 1) internal restructuring; 2) less promotion; and 3) a weak market environment. YH's operations are based in seven regions and in the future it will be based in two key business divisions. It will reveal more details regarding the restructuring in August.

Full-year target and three-year plan remains intact

YH maintains its full-year store opening plan of 60-80 stores and 3-4% SSSg target but will strike a balance between sales and GPM. We expect the company's core business growth momentum to assume in 2H15. Nevertheless, based on the trend in 1H15, there will be less non-recurring contribution in 2015. On store operation, we expect YH to continue to expand its Bravo brand with the help of Dairy Farm to further differentiate itself. Also, YH plans to expand its O2O presence to Beijing and Chongqing in September.

Maintaining target price at RMB12.9; risks

Our primary valuation methodology is DCF, employing COE of 9.5%, a beta of 1.0 and a TGR of 2.5%. This produces a fair value of RMB12.9/share, implying 2016E PE of 41x. Industry risks: competition and low CPI affecting SSSg. Company risks: challenge in nationwide expansion and failure to implement management's three-year plan.

Key changes

Sales (FYE)	45,200 to 45,188	↓	-0.0%
Op prof margin (FYE)	2.9 to 2.8	↓	-4.3%
Net profit (FYE)	989.3 to 943.9	↓	-4.6%

Source: Deutsche Bank

Price/price relative



Performance (%)	1m	3m	12m
Absolute	-12.4	-9.5	41.6
Shanghai Composite	-13.4	-16.6	69.9

Source: Deutsche Bank

Forecasts And Ratios

Year End Dec 31	2013A	2014A	2015E	2016E	2017E
DB EPS FD(CNY)	0.23	0.26	0.24	0.32	0.40
% Change	0.0%	0.0%	-4.6%	-0.1%	-0.1%
DB EPS growth (%)	-	13.7	-6.6	29.0	25.5
PER (x)	27.9	27.3	41.5	32.2	25.7
Yield (net) (%)	1.6	2.1	1.0	1.4	1.8

Source: Deutsche Bank estimates, company data

¹ DB EPS is fully diluted and excludes non-recurring items

² Multiples and yields calculations use average historical prices for past years and spot prices for current and future years, except P/B which uses the year end close

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Model updated: 31 July 2015

Running the numbers

Asia

China

Retail / Wholesale Trade

Yonghui Superstores

Reuters: 601933.SS

Bloomberg: 601933 CG

Buy

Price (30 Jul 15)	CNY 10.15
Target Price	CNY 12.90
52 Week range	CNY 7.31 - 16.36
Market Cap (m)	CNYm 41,285
	USDm 6,649

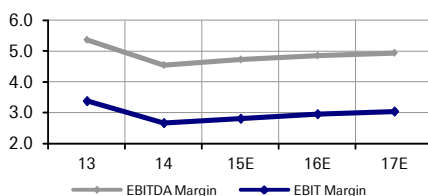
Company Profile

With the first store established in 1995, Yonghui Superstores (Yonghui) is principally engaged in the operation of regular chain supermarkets. The company primarily involves in the dealing of fresh meat products, agricultural products, processed foods, daily necessities, clothing and imported goods, among others.

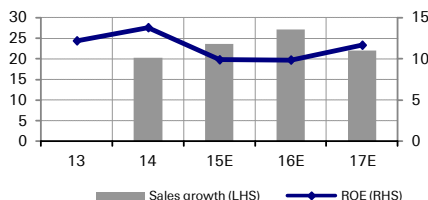
Price Performance



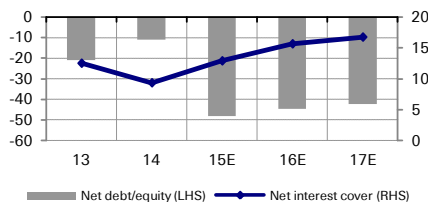
Margin Trends



Growth & Profitability



Solvency



Fiscal year end 31-Dec

Financial Summary

	2013	2014	2015E	2016E	2017E
DB EPS (CNY)	0.23	0.26	0.24	0.32	0.40
Reported EPS (CNY)	0.23	0.26	0.24	0.32	0.40
DPS (CNY)	0.10	0.15	0.10	0.14	0.18
BVPS (CNY)	3.6	2.0	3.1	3.3	3.5
Weighted average shares (m)	3,131	3,254	3,863	4,068	4,068
Average market cap (CNYm)	20,077	23,222	41,285	41,285	41,285
Enterprise value (CNYm)	18,834	22,514	35,173	35,299	35,274

Valuation Metrics

P/E (DB) (x)	27.9	27.3	41.5	32.2	25.7
P/E (Reported) (x)	27.9	27.3	41.5	32.2	25.7
P/BV (x)	1.80	4.40	3.26	3.09	2.90
FCF Yield (%)	0.9	2.5	0.4	1.1	1.8
Dividend Yield (%)	1.6	2.1	1.0	1.4	1.8
EV/Sales (x)	0.6	0.6	0.8	0.6	0.5
EV/EBITDA (x)	11.5	13.6	16.5	12.7	10.2
EV/EBIT (x)	18.3	23.1	27.7	20.8	16.6

Income Statement (CNYm)

Sales revenue	30,404	36,551	45,188	57,425	70,031
Gross profit	5,722	7,044	8,866	11,333	13,932
EBITDA	1,631	1,661	2,134	2,788	3,461
Depreciation	604	687	866	1,091	1,331
Amortisation	0	0	0	0	0
EBIT	1,027	975	1,268	1,697	2,130
Net interest income/(expense)	-82	-104	-98	-108	-127
Associates/affiliates	0	-5	24	33	49
Exceptionals/extraordinaries	0	219	0	0	0
Other pre-tax income/(expense)	0	0	0	0	0
Profit before tax	945	1,084	1,194	1,622	2,051
Income tax expense	224	232	249	338	441
Minorities	1	1	1	2	2
Other post-tax income/(expense)	0	0	0	0	0
Net profit	721	852	944	1,282	1,609
DB adjustments (including dilution)	0	0	0	0	0
DB Net profit	721	852	944	1,282	1,609

Cash Flow (CNYm)

Cash flow from operations	1,753	1,775	2,387	3,309	3,900
Net Capex	-1,566	-1,198	-2,249	-2,858	-3,151
Free cash flow	187	577	138	451	749
Equity raised/(bought back)	0	0	5,692	0	0
Dividends paid	-335	-405	-426	-577	-724
Net inc/(dec) in borrowings	-579	531	0	0	0
Other investing/financing cash flows	1,464	-708	0	0	0
Net cash flow	738	-4	5,404	-126	25
Change in working capital	403	386	664	878	905

Balance Sheet (CNYm)

Cash and other liquid assets	2,156	2,152	7,556	7,430	7,455
Tangible fixed assets	5,423	5,926	7,309	9,076	10,896
Goodwill/intangible assets	0	0	0	0	0
Associates/investments	23	1,237	1,262	1,295	1,343
Other assets	5,371	6,164	7,194	8,717	10,285
Total assets	12,973	15,480	23,321	26,517	29,980
Interest bearing debt	913	1,444	1,444	1,444	1,444
Other liabilities	6,145	7,572	9,201	11,690	14,266
Total liabilities	7,058	9,015	10,645	13,134	15,710
Shareholders' equity	5,910	6,468	12,649	13,354	14,239
Minorities	5	26	27	29	31
Total shareholders' equity	5,915	6,464	12,676	13,383	14,270
Net debt	-1,243	-708	-6,112	-5,986	-6,011

Key Company Metrics

Sales growth (%)	nm	20.2	23.6	27.1	22.0
DB EPS growth (%)	na	13.7	-6.6	29.0	25.5
EBITDA Margin (%)	5.4	4.5	4.7	4.9	4.9
EBIT Margin (%)	3.4	2.7	2.8	3.0	3.0
Payout ratio (%)	43.5	57.3	42.7	45.0	45.0
ROE (%)	12.2	13.8	9.9	9.9	11.7
Capex/sales (%)	5.1	3.3	5.0	5.0	4.5
Capex/depreciation (x)	2.6	1.7	2.6	2.6	2.4
Net debt/equity (%)	-21.0	-11.0	-48.2	-44.7	-42.1
Net interest cover (x)	12.5	9.4	12.9	15.7	16.8

Source: Company data, Deutsche Bank estimates



Company update

Business restructuring muted 1H15 top-line momentum

A 4ppt shortfall in sales growth in 2015

YH reported a 15% rise in sales in 2Q15 (a short fall of 4-5ppt vs. its full-year sales target of 20% YoY growth and 1Q's reported 20% growth). Management attributed the shortfall to:

1. Internal restructuring of its operation with new reporting line

Management will disclose more information in August when the restructuring is complete. This involves procurement, business reporting lines, initiatives such as cross-border ecommerce, HR, etc.

- Currently, based on our understanding, YH operates from seven regions (overlooking 17 provinces); in the future, it will be based in two key business divisions. Management is yet to give details.
- **Bravo** (currently ~40 stores) is a segment that management would like to expand and its business model is different.
- **It has started in mature areas such as Fujian and Chongqing.** As a result, SSSg in 2Q15 was significantly affected in these areas while it remains healthy in semi-mature areas. Markets such as Beijing experienced better SSSg figures than the same time last year.
- **By segment, the fresh food segment is being restructured first.** Thus, sales growth slowed to 15% YoY in 1H15 from 21% in 2014. YH might decide to restructure the apparel segment in 2H.

2. **Fewer promotions**, as resources were focused on internal restructuring. For reference, normally in 2Q (low season), the company launches several promotional campaigns.

3. **Market environment** in 2Q has been difficult.

On track to meet three-year target

Accelerating store expansion into 2H15; full-year store opening target unchanged

Yonghui net added 21 stores in 1H15 (vs. 11 in 1H14). Management sees its store expansion target of 60-80 stores this year achievable (vs. our estimate of 73). Based on YH's comments, store openings will be concentrated in 2H15 (20-30 stores per quarter in 3Q and 4Q).

SSSg target maintained

Management maintains its SSSg guidance of 3% for the full year, although it admits that it needs to catch up in 2H15. It will also try to strike a balance between GPM and SSSg. The benefit from the restructuring will reflect but gradually. To recap, SSSg was 3-4% in 1Q and 0.4% for 1H15. Most of the SSSg shortfall came from ASP rather than traffic (which is different from the other food retailers under our coverage).



Gross margin: fresh food gross margin to recover in 2H15

Management attributes the slight decline (6bp) in fresh food gross margin in 1H15 to volatility driven by the fresh food business restructuring. It expects fresh food profitability to regain its pace in 2H15.

For the apparel business, management believes it will strike a balance between GPM and sales growth. It reached 33% GPM in 1Q15 (and 31% in 1H15), which management believes should normalize to about 29% with room for double-digit increase in sales growth. As mentioned, it will commence its business improvement program in 2H15.

Major JVs and investments

For its JV, **Shangsu Yonghui** losses are likely to continue (YH recorded an RMB12m loss from the JV in 1H15, vs. an RMB1m loss a year ago). However, management believes that it has found the right model (business model 1.0 achieved) for the store (for example, a store has reached sales level that is equivalent to YH's hypermarket). Thus, it is the scale that it needs to ramp.

The **Zhongbai** investment contributed a profit of RMB4m in 1H15 (we note that the investment was re-categorized under equity investment in 2015, thus to comparable income in 1H14). As YH does not interfere in Zhongbai's operations, we do not expect significant improvements in Zhongbai's profitability in the near future.

Effective tax rate reduced due to new operating area's loss reduction

The effective tax rate fell from 22% in 1H14 to 19% in 1H15, mainly due to increase in contribution in new areas where losses reduced and it enjoyed tax benefits from these new areas. Currently, YH enjoys tax benefits only in Chongqing.

Online retail

YH will commence the second phase of its online business in September. Currently, it is in testing stage. Apart from its O2O business in Fujian, it will also commence such business in Beijing and Chongqing by then.



Earnings revisions, valuation and risks

Earnings revisions

We slightly reduce our 2015E EBIT by 4.4% to reflect the weaker-than-expected operating leverage in 2Q15. This has led us to cut 2015 earnings by 4.6%. We largely maintain our forecasts for 2016 and 2017, as we expect the restructuring to only impact 2015. Management will share with investors the changes in August, and we will review this subsequently.

Our earnings forecasts are 8%/10% higher than Bloomberg Finance LP consensus for 2016-17, thanks to our more positive views on YH's capability to enhance sales and gross margin through its multiple initiatives.

Figure 1: Reducing 2015 earnings slightly on weaker 2Q15 EBIT

RMBm YE Dec	New forecast			Old forecast			New vs. Old forecast			Market forecast			New vs. market forecast		
	2015E	2016E	2017E	2015E	2016E	2017E	2015E	2016E	2017E	2015E	2016E	2017E	2015E	2016E	2017E
Revenue	45,188	57,425	70,031	45,200	57,438	70,047	0.0%	0.0%	0.0%	43,972	53,378	65,027	2.8%	7.6%	7.7%
Gross profit	8,866	11,333	13,932	8,881	11,337	13,937	-0.2%	0.0%	0.0%	8,619	10,444	12,843	2.9%	8.5%	8.5%
EBIT	1,268	1,697	2,130	1,326	1,699	2,132	-4.4%	-0.1%	-0.1%	1,254	1,534	1,886	1.1%	10.6%	12.9%
Headline NP	944	1,282	1,609	989	1,284	1,610	-4.6%	-0.1%	-0.1%	941	1,184	1,462	0.3%	8.3%	10.0%
Profitability															
Gross margin	19.6%	19.7%	19.9%	19.6%	19.7%	19.9%	0.0%	0.0%	0.0%	19.6%	19.6%	19.8%	0.0%	0.2%	0.1%
EBIT margin	2.8%	3.0%	3.0%	2.9%	3.0%	3.0%	-0.1%	0.0%	0.0%	2.9%	2.9%	2.9%	0.0%	0.1%	0.1%
Net margin	2.1%	2.2%	2.3%	2.2%	2.2%	2.3%	-0.1%	0.0%	0.0%	2.1%	2.2%	2.2%	-0.1%	0.0%	0.0%

Source: Deutsche Bank estimates, Bloomberg Finance LP consensus

Valuation

We maintain our target price at RMB12.9 as there is no change to our forecasts from 2016 onward. Our primary valuation methodology is DCF. As all of YH's business comes from China, we use the China COE provided by Deutsche Bank's Economics Team. We use a beta of 1.0x, which is in line with the beta we use for Chinese food retailers listed in HK. The company COE is thus 9.5%. We use a long-term growth rate of 2.5%. This is at the high end of the 1-3% range we apply for the consumer sector (as China is one of the key drivers in the food retail consolidation globally).

Figure 2: Sensitivity analysis

DCF Sensitivity Analysis on EV (RMB)						DCF Sensitivity Analysis on CY16F PE (x)					
WACC	Long run growth					WACC	Long run growth				
	0.5%	1.5%	2.5%	3.5%	4.5%		0.5%	1.5%	2.5%	3.5%	4.5%
7.5%	14.18	16.09	18.76	22.77	29.45	7.5%	45.0	51.0	59.5	72.2	93.4
8.5%	12.18	13.52	15.32	17.83	21.60	8.5%	38.6	42.9	48.6	56.6	68.5
9.5%	10.65	11.63	12.90	14.59	16.95	9.5%	33.8	36.9	40.9	46.3	53.8
10.5%	9.45	10.19	11.12	12.31	13.90	10.5%	30.0	32.3	35.3	39.1	44.1
11.5%	8.50	9.07	9.76	10.64	11.76	11.5%	27.0	28.8	31.0	33.7	37.3

Source: Deutsche Bank estimates



Downside risks to our view

Downside macro/industry risks: 1) low CPI affecting SSSg while opex (wages and rentals) accelerates; 2) increased competition; 3) channel dilution – online challenge in fresh food products; 4) change in consumer behavior/demand; and 5) food safety issues.

Company risks: 1) failure to achieve three-year plan; 2) M&A capability (control as second-largest shareholder); 3) challenge in multi-channel strategy; 4) challenge of nationwide expansion and investment in supply chain.

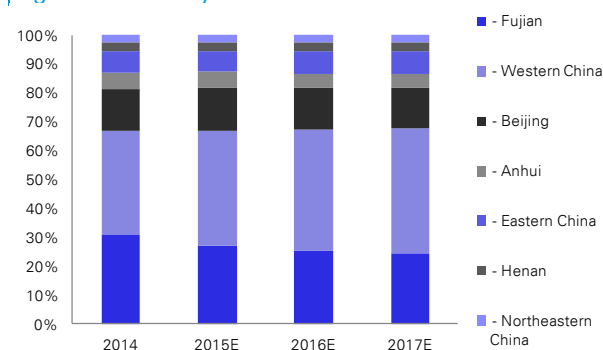
Key operating metrics for YH

Figure 3: Sales mix

Sales by market							Sales by category						
Sales (RMB mn)	2012	2013	2014	2015E	1H15	2H15E	Sales (RMB mn)	2012	2013	2014	2015E	1H15	2H15E
- Fujian	8,647	9,800	10,850	11,781	5,548	6,233	Core businesses revenue	23,748	29,298	35,130	43,409	19,890	23,520
- Western China	8,978	10,782	12,592	17,345	7,019	10,326	- Fresh and processed food	10,959	13,461	16,302	20,187	9,011	11,177
- Beijing	3,212	4,123	5,074	6,418	3,192	3,226	- Food and grocery	10,964	13,733	16,572	20,384	9,710	10,674
- Anhui	1,274	1,642	2,033	2,366	1,198	1,168	- Apparel	1,826	2,104	2,256	2,838	1,169	1,669
- Eastern China	744	1,494	2,615	3,202	1,797	1,405	Other revenue	936	1,245	1,597	1,996	844	1,152
- Henan	430	767	1,044	1,249	607	642	Total	24,684	30,543	36,727	45,405	20,734	24,672
- Northeastern China	464	690	921	1,048	528	520	YoY Growth (%)						
Other revenue	936	1,245	1,597	1,996	844	1,152	Core businesses revenue	38.7%	23.4%	19.9%	23.6%	17.1%	29.7%
Total	24,684	30,543	36,727	45,405	20,734	24,672	- Fresh and processed food	39.5%	22.8%	21.1%	23.8%	15.4%	31.6%
YoY Growth (%)							- Food and grocery	40.1%	25.3%	20.7%	23.0%	20.5%	25.4%
- Fujian	10.8%	13.3%	10.7%	8.6%	5.3%	11.7%	- Apparel	27.0%	15.2%	7.2%	25.8%	4.1%	47.3%
- Western China	34.1%	20.1%	16.8%	37.7%	15.1%	59.0%	Other revenue	52.6%	33.0%	28.3%	25.0%	33.5%	19.4%
- Beijing	102.4%	28.4%	23.0%	26.5%	28.4%	24.7%	Total	39.2%	23.7%	20.2%	23.6%	17.7%	29.1%
- Anhui	33.8%	28.9%	23.8%	16.4%	23.7%	9.7%	Sales Mix (%)						
- Eastern China	NA	100.7%	75.1%	22.4%	49.6%	-0.6%	Core businesses revenue	96.2%	95.9%	95.7%	95.6%	95.9%	95.3%
- Henan	730.8%	78.4%	36.2%	19.6%	14.6%	24.8%	- Fresh and processed food	44.4%	44.1%	44.4%	44.5%	43.5%	45.3%
- Northeastern China	1771.2%	48.7%	33.5%	13.9%	21.0%	7.5%	- Food and grocery	44.4%	45.0%	45.1%	44.9%	46.8%	43.3%
Other revenue	52.6%	33.0%	28.3%	25.0%	33.5%	19.4%	- Apparel	7.4%	6.9%	6.1%	6.3%	5.6%	6.8%
Total	39.2%	23.7%	20.2%	23.6%	17.7%	29.1%	Other revenue	3.8%	4.1%	4.3%	4.4%	4.1%	4.7%
Sales Mix (%)							Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
- Fujian	35.0%	32.1%	29.5%	25.9%	26.8%	25.3%							
- Western China	36.4%	35.3%	34.3%	38.2%	33.9%	41.9%							
- Beijing	13.0%	13.5%	13.8%	14.1%	15.4%	13.1%							
- Anhui	5.2%	5.4%	5.5%	5.2%	5.8%	4.7%							
- Eastern China	3.0%	4.9%	7.1%	7.1%	8.7%	5.7%							
- Henan	1.7%	2.5%	2.8%	2.8%	2.9%	2.6%							
- Northeastern China	1.9%	2.3%	2.5%	2.3%	2.5%	2.1%							
Other revenue	3.8%	4.1%	4.3%	4.4%	4.1%	4.7%							
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%							

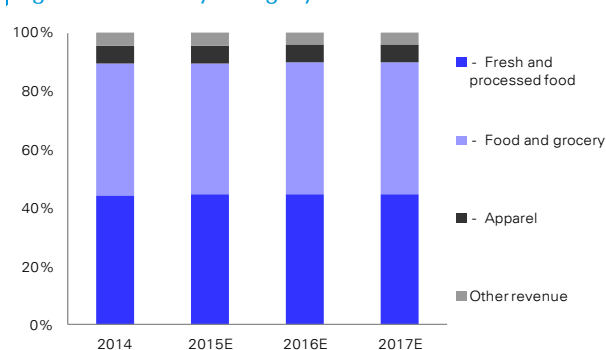
Source: Deutsche Bank estimates, company data Note: sales figure before sales tax adjustment, may differ from that in the RTN

Figure 4: Sales by market



Source: Deutsche Bank estimates, company data

Figure 5: Sales by category



Source: Deutsche Bank estimates, company data

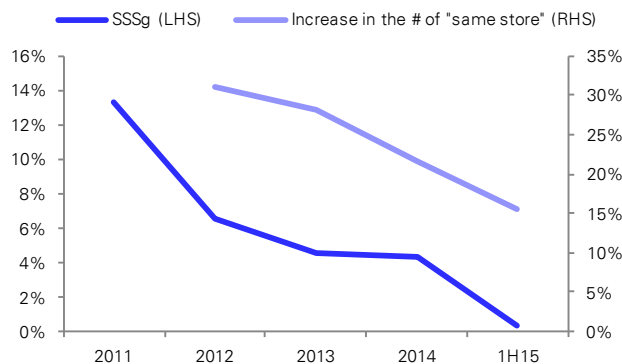


Figure 6: Gross profit mix

GP by market					GP by category						
GP (RMB mn)	2012	2013	2014	2015E	GP (RMB mn)	2012	2013	2014	2015E	1H15	2H15E
- Fujian	1,602	1,735	1,904	2,091	Core businesses	3,916	4,749	5,783	7,287	3,281	4,006
- Western China	1,482	1,782	2,171	3,079	- Fresh and processed food	1,419	1,664	2,084	2,626	1,154	1,472
- Beijing	459	588	742	950	- Food and grocery	1,976	2,439	3,029	3,818	1,765	2,053
- Anhui	194	266	328	383	- Apparel	521	645	670	843	361	482
- Eastern China	83	199	375	468	Other GP	837	1,112	1,437	1,796	759	1,038
- Henan	50	106	155	190	Total	4,754	5,861	7,220	9,084	4,040	5,044
- Northeastern China	46	74	108	127	GM (%)						
Other revenue	837	1,112	1,437	1,796	Blended Core businesses	16.5%	16.2%	16.5%	16.8%	16.5%	17.0%
Total	4,754	5,861	7,220	9,084	- Fresh and processed food	13.0%	12.4%	12.8%	13.0%	12.8%	13.2%
GM (%)					- Food and grocery	18.0%	17.8%	18.3%	18.7%	18.2%	19.2%
- Fujian	18.5%	17.7%	17.6%	17.8%	- Apparel	28.5%	30.7%	29.7%	29.7%	30.9%	28.9%
- Western China	16.5%	16.5%	17.2%	17.8%	Other GP	89.4%	89.3%	90.0%	90.0%	89.9%	90.1%
- Beijing	14.3%	14.3%	14.6%	14.8%	Blended GMs	19.3%	19.2%	19.7%	20.0%	19.5%	20.4%
- Anhui	15.2%	16.2%	16.1%	16.2%	YoY (%)						
- Eastern China	11.2%	13.3%	14.4%	14.6%	Blended Core businesses	39.4%	21.3%	21.8%	26.0%	17.1%	34.4%
- Henan	11.6%	13.8%	14.8%	15.2%	- Fresh and processed food	37.0%	17.3%	25.2%	26.0%	14.9%	36.3%
- Northeastern China	9.9%	10.7%	11.7%	12.1%	- Food and grocery	44.4%	23.4%	24.2%	26.1%	20.1%	31.7%
Other revenue	89.4%	89.3%	90.0%	90.0%	- Apparel	28.4%	23.9%	3.8%	25.9%	10.5%	40.6%
Blended GMs	19.3%	19.2%	19.7%	20.0%	Other GP	38.7%	32.8%	29.2%	25.0%	35.9%	18.1%
YoY (%)					Total	39.3%	23.3%	23.2%	25.8%	20.2%	30.7%
- Fujian	19.1%	8.3%	9.7%	9.8%							
- Western China	36.2%	20.2%	21.8%	41.8%							
- Beijing	83.2%	28.0%	26.3%	28.0%							
- Anhui	59.9%	36.9%	23.3%	17.0%							
- Eastern China	NA	138.3%	89.0%	24.6%							
- Henan	2940.7%	112.0%	46.6%	22.8%							
- Northeastern China	1800.5%	60.8%	46.4%	17.5%							
Other revenue	38.7%	32.8%	29.2%	25.0%							
Total	39.3%	23.3%	23.2%	25.8%							

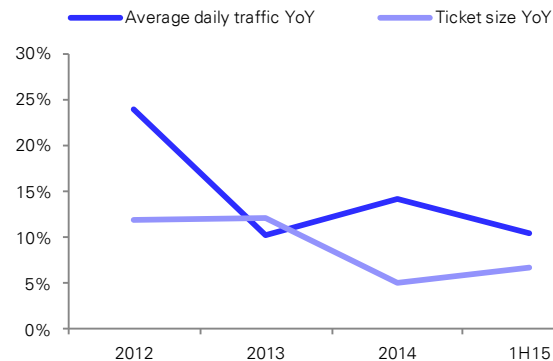
Source: Deutsche Bank estimates, company data Note: before sales tax adjustment, may differ from that in the RTN

Figure 7: SSSg vs. the increase in "same stores"



Source: Deutsche Bank, company data

Figure 8: Total stores: traffic vs. ticket size



Source: Deutsche Bank, company data



Appendix 1

Important Disclosures

Additional information available upon request

Disclosure checklist

Company	Ticker	Recent price*	Disclosure
Yonghui Superstores	601933.SS	10.15 (CNY) 30 Jul 15	NA

*Prices are current as of the end of the previous trading session unless otherwise indicated and are sourced from local exchanges via Reuters, Bloomberg and other vendors. Other information is sourced from Deutsche Bank, subject companies, and other sources. For disclosures pertaining to recommendations or estimates made on securities other than the primary subject of this research, please see the most recently published company report or visit our global disclosure look-up page on our website at <http://gm.db.com/ger/disclosure/DisclosureDirectory.eqsr>.

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Historical recommendations and target price: Yonghui Superstores (601933.SS)

(as of 7/31/2015)



Previous Recommendations

Strong Buy
Buy
Market Perform
Underperform
Not Rated
Suspended Rating

Current Recommendations

Buy
Hold
Sell
Not Rated
Suspended Rating

*New Recommendation Structure
as of September 9, 2002

1. 29/06/2015: Upgrade to Buy, Target Price Change CNY12.90



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Buy: Based on a current 12-month view of total share-holder return (TSR = percentage change in share price from current price to projected target price plus projected dividend yield), we recommend that investors buy the stock.

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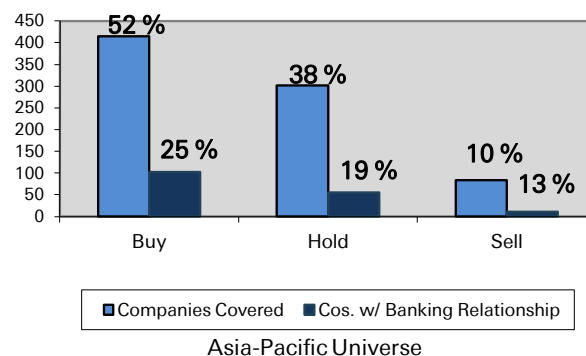
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Equity rating dispersion and banking relationships



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